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NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

In reply refer to
and No.
Op-20-4/tr

Return to G-1
9/9/42
SECRET

Subject: Report of meeting of Standing Committee for Coordination of Cryptanalytical Work.

The first meeting of the Standing Committee for Coordination of Cryptanalytical Work was held in the Radio Intelligence Section, Navy Department, at 10:00 a.m., August 25, 1942.

The following committee members were present:

Colonel Alfred McCormack (alternate for Colonel Carter Clarke), representing the Army.

Commander J. N. Wenger, USN, representing the Navy.

Mr. E. P. Coffey, representing the Federal Bureau of Investigation.

Also attending were:

Colonel Frank W. Bullock and Mr. W. F. Friedman, of SSB.

Lieutenant Commander A. D. Kramer, of the Office of Naval Intelligence; and

Lieutenant Commander L. T. Jones, of the Coast Guard.

The meeting opened with a discussion of the status of the committee. It was pointed out that no formal notification had been received on the action of the President in regard to the recommendation of the Joint Chiefs of Staff, dated July 6, 1942, concerning limitation of cryptanalytical activities. It was assumed, however, that acceptance of the recommendation had been implied by the President's memorandum for the Director of the Budget, dated July 8, 1942, and the committee would proceed on this basis.

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The question was raised as to whether or not the allocation proposed in the report of the conference referred to above was satisfactory. Mr. Coffey stated that it was, in general, acceptable to the Federal Bureau of Investigation as a basis on which to proceed; however, his agency had a very definite interest in diplomatic communications in view of its responsibility with regard to espionage in the Western Hemisphere. He further stated that the Federal Bureau of Investigation was in a very favorable position to assist in the diplomatic field because of its contacts in South America, whereby it was at times possible to obtain copies of cryptographic systems.

In answer to a question as to what the Federal Bureau of Investigation was doing in the diplomatic field, Mr. Coffey stated that it had for some time been performing certain work on specific request of the State Department. He said that the results of the Federal Bureau of Investigation's work were disseminated to interested offices, regardless of who they might be.

The allocation of work on Western Hemisphere clandestine material was then discussed. Lieutenant Commander Jones, of the Coast Guard, gave a brief survey of the work which the Coast Guard is now performing. Mr. Coffey stated that there appeared to be considerable duplication but he was unable to supply details. He agreed to provide a list of clandestine work being undertaken by his agency, and it was decided that a meeting of the Federal Bureau of Investigation and the Navy representatives would be held to arrange details of future coordination. Commander Wenger stated that, in principle, the Navy felt that the Coast Guard should continue carrying on work in those systems which it had solved. Likewise, the Federal Bureau of Investigation should continue work on those systems which it had succeeded in solving. As a working arrangement for the future, each agency should consult the other before undertaking any new work, in order to avoid duplication, and would, upon solution of a new system, carry on the processing of the material. Mr. Coffey indicated acceptance of this proposal, and it was accordingly adopted.

Mr. Coffey inquired as to the agencies to whom clandestine material was being disseminated. It was explained that the dissemination of results was in the hands of the Office of Naval Intelligence and that material was disseminated to FBI, SSD, ONI, and to the British if it concerned them. Mr. Coffey said that an agreement had been reached between the British Security Coordination and the Federal Bureau of Investigation by which the latter was to act as liaison in all clandestine matters. Mr. Coffey was asked concerning the status of this agreement and stated that, as far as he knew, it was binding only on the Federal Bureau of Investigation and the British Security Coordination.

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Commander Wenger stated that a request had recently been received from the Commander, Eastern Sea Frontier, for information as to what action was being taken to suppress clandestine communications from the East Coast to submarines operating in the Atlantic. Mr. Coffey stated that the Federal Bureau of Investigation was making a systematic cross-sectional study of commercial broadcasts and was also investigating reported or alleged cases of illicit communications via these broadcasts. The committee felt that some action should be taken to control commercial broadcasting. It was agreed that the Federal Bureau of Investigation, having been allocated responsibility for work in this field, should prepare a tentative draft to be considered by the committee as a recommendation to be submitted to the Joint Chiefs of Staff for control of broadcasts.

The question of allocating the work on trade codes was next considered. The Navy representative proposed, as a basis for discussion, that:

- (a) The Navy undertake the work on Japanese, German, and Italian enciphered trade codes because of their bearing on shipping.
- (b) The Federal Bureau of Investigation undertake work on the trade codes of Spain, France, and Portugal, because of their possible use for clandestine communications, and also the trade codes of the Western Hemisphere because of that agency's responsibility with regard to espionage in that area.
- (c) The Army undertake work on all others.

Mr. Coffey suggested that, as ability to read ordinary trade communications depended largely on whether or not the codes were available, the simplest plan for handling these communications was for the agency which held the codes to process the material. These two proposals were accepted by the committee, and it was agreed that to facilitate the allocation of unenciphered trade code messages, each agency would supply the others with a list of the trade codes which it held.

The problem of handling decrypted material was next discussed. Lieutenant Commander Kramer pointed out that material from the Federal Bureau of Investigation was frequently routed to the regular mail rooms and got into the hands of persons who were not ordinarily permitted to see this material. It was also

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pointed out that material which the Army and the Navy classify as ~~SECRET~~ is ordinarily stamped CONFIDENTIAL by the Federal Bureau of Investigation and receives treatment accordingly. To improve security in the handling of decrypted material, it was suggested that the Federal Bureau of Investigation stamp such material ~~SECRET~~ and that it be delivered to the Radio Intelligence Section and HIS instead of to the Office of Naval Intelligence mail room, as has been the practice in the past.

Commander Wenger raised the question as to the manner of dealing with certain inquiries such as have, from time to time, been made by the Federal Bureau of Investigation with regard to results being obtained on intercepted material. He pointed out that recently a letter had been received from the Federal Bureau of Investigation asking whether or not the material enclosed was being read by the Navy. He explained that the Army and the Navy had for some time worked on the principle that in the interest of security no information should be given out regarding results of cryptanalysis on systems for which one or the other had been made solely responsible. It was felt that this same principle should apply in the relations among the Federal Bureau of Investigation, the Army, and the Navy. Mr. Coffey stated that the Federal Bureau of Investigation considered that when material was submitted to that agency for examination, it had a definite responsibility to see that the material was processed by the agency responsible for it or to undertake the work itself. It was, therefore, necessary to know whether or not the Army and the Navy were reading the material about which it inquired. He stated, furthermore, that unless this principle were accepted by the Army and the Navy, it would be futile to try to arrive at any proper coordination. The Army representatives supported the Navy's contention and, after some discussion, Mr. Coffey conceded that each case could properly be decided upon its own merits and that some workable arrangement could, no doubt, be effected.

It was suggested that the distribution of raw material to the three agencies would probably be facilitated if the various intercept agencies could be informed as to the allocation agreement, and the committee decided that action should be taken to so inform these intercept activities.

Summary of agreements:

1. Allocation of work as recommended in the report of the conference appointed to study allocation of cryptanalysis, dated June 30, 1942, to be accepted as the basis for initial coordination.

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2. Regarding Western Hemisphere clandestine:
 - (a) Navy (CG) to continue working on systems now being read by CG.
 - (b) FBI to continue working on systems now being read by FBI.
 - (c) New systems - to be consultation between the two agencies before beginning work thereon.
 - (d) FBI to furnish list of systems it is now reading.
3. Navy and Federal Bureau of Investigation to confer further in detail on coordination of work on Western Hemisphere clandestine material.
4. Federal Bureau of Investigation to prepare recommendations concerning control of commercial broadcasts for submission by the committee to the Joint Chiefs of Staff.
5. Work on enciphered trade codes to be allocated as follows:

Navy..... - Japanese, German, and Italian.

Federal Bureau of Investigation..... - Spanish, French, Portuguese, and Western Hemisphere.

Army..... - All others.
6. Work on unenciphered trade material to be performed by agency holding code.
7. All agencies to provide each other with lists of commercial codes on hand.
8. Federal Bureau of Investigation to stamp material SECRET and deliver direct to the Radio Intelligence Section and MIS.
9. Instructions to be issued to intercepting agencies as to the allocation of work to facilitate delivery of material.

Col. Alfred McCormack (Army)Comdr. J. M. Wenger, USN (Navy)Mr. E. P. Coffey (FBI)

JUL 15 1942
CRA POL 1057**SECRET****THE WHITE HOUSE
WASHINGTON**

July 8, 1942

MEMORANDUM FOR THE DIRECTOR OF THE BUREAU:

I am enclosing a copy of a memorandum received today from the Chief of Staff and the Commander-in-Chief of the U. S. Fleet. I agree with them. Will you please have the proper instructions issued discontinuing the cryptanalytical units in the offices of the Director of Censorship, the Federal Communications Commission and the Strategic Services. If you are aware of any other agencies having services of this character, will you please have these discontinued also.

V. D. B.

Enclosure

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